



Rule(s) Review Checklist Addendum
(This form must be filled out electronically.)

This form is to be used only if the rule(s) was/were previously reviewed, and hasn't/haven't been amended/repealed subsequent to that review.

All responses should be in **bold** format.

Document Reviewed (include title): **WAC 458-20-148**
 Barber and beauty shops

Date last reviewed: **9/26/97**

Current Reviewer: **JoAnne Gordon**

Date current review completed: **8/15/01**

Is this document being reviewed at this time because of a taxpayer or association request? (If "YES", provide the name of the taxpayer/association and a brief explanation of the issues raised in the request). **YES** ☐ **NO** ☒

Type an "x" in the column that most correctly answers the question, and provide clear, concise, and complete explanations where needed.

1. Related statutes, ancillary documents, court decisions, BTA decisions, and WTDs:
(Excise Tax Advisories (ETAs), Property Tax Advisories (PTAs), Property Tax Bulletins (PTBs) and Audit Directives (ADs) are considered interpretive statements.)

YES	NO	
	X	Are there any statutory changes subsequent to the previous review of this rule that should be incorporated?
	X	Are there any interpretive statements not identified in the previous review of this rule that should be incorporated? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
	X	Are there any ancillary documents that should be repealed because the information is currently included in this or another rule, or the information is incorrect or not needed? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
	X	Are there any Board of Tax Appeal (BTA) decisions, court decisions, or Attorney Generals Opinions (AGOs) subsequent to the previous review of this rule that provide information that should be incorporated into this rule?
	X	Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) subsequent to the previous review of this rule that provide information that should be incorporated into the rule?



X	Are there any changes to the recommendations in the previous review of this rule with respect to any of the types of documents noted above? (An Ancillary Document Review Supplement should be completed if any changes are recommended with respect to an interpretive statement.)
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If the answer is “yes” to any of the questions above, identify the pertinent document(s) and provide a brief summary of the information that should be incorporated into the document.

RCW 82.04.050(3)(g) provides that the definition of a retail sale includes charges for tanning salon, tattoo parlor, steam bath, and Turkish bath services. These are services that beauty salons may provide in addition to other traditional services. At such time as the rule is reviewed, consideration should be given to incorporating the tax treatment of these services.

2. Additional information: Identify any additional issues (other than that noted above or in the previous review) that should addressed or incorporated into the rule.

WAC 458-20-148 does not explain that income derived by beauty salon or shop operators from booth rental fees are subject to business and occupation (B&O) tax under the service and other activities classification. For purposes of distinguishing employees from persons engaging in business, WAC 458-20-105 defines the term “booth renter” and refers the reader to WAC 458-20-200 for a discussion about the tax treatment of income derived from leased departments. Without using the term “booth renter,” WAC 458-20-200 provides an example of income derived from booth rental. WAC 458-20-148 can be made more effective by incorporating an explanation of the tax treatment of such income and referencing WAC 458-20-105 and 458-20-200.

3. LISTING OF DOCUMENTS REVIEWED: The reviewer need identify only those documents that were not listed in the previous review of the rule(s). (Use “bullets” with any lists, and include documents discussed above. Citations to statutes, ancillary documents, and similar documents should include titles. Citations to Attorneys General Opinions (AGOs) and court, Board of Tax Appeals (BTA), and Appeals Division (WTD) decisions should be followed by a brief description (i.e., a phrase or sentence) of the pertinent issue(s).)

Statute(s) Implemented: **None**

Ancillary Documents (i.e., ETAs, PTBs, and ADs): **None**

Court Decisions: **None**

Board of Tax Appeals Decisions (BTAs): **None**

Administrative Decisions (e.g., WTDs): **None**



Attorney General's Opinions (AGOs): **None**

Other Documents (e.g., special notices or Tax Topic articles, statutes or regulations administered by other agencies or government entities, statutes, rules, or other documents that were reviewed but were not specifically relevant to the subject matter of the document being reviewed):

Beautician's Guide, which provides tax-reporting information to persons in the beauty industry.

4. Review Recommendation:

 X **Amend**

 Repeal (Appropriate when repeal is not conditioned upon another rule-making action.)

 Leave as is (Appropriate even if the recommendation is to incorporate the current information into another rule.)

 Begin the rule-making process for possible revision. (Applies only when the Department has received a petition to revise a rule.)

Explanation of recommendation: Provide a brief summary of any changes you've identified/recommended earlier in this review document. If this recommendation differs from that of the previous review, explain the basis for this difference. If recommending that the rule be amended, be sure to note whether the basis for the recommendation is to:

- Correct inaccurate tax-reporting information now found in the current rule;
- Incorporate legislation;
- Consolidate information now available in other documents (e.g., ETAs, WTDs, court decisions); or
- Address issues not otherwise addressed in other documents (e.g., ETAs, WTDs, court decisions).

While WAC 458-20-148 continues to provide tax-reporting information to persons offering traditional beauty and barbering services, it does not reflect the diversity of services provided by today's contemporary salons. The rule should be revised to address this diversity of services, incorporate a discussion about the tax treatment of booth rental income, and to reflect the tax treatment of those personal services that are specifically defined by statute as retail sales.

5. Manager action: Date: _____

 Reviewed and accepted recommendation

Amendment priority:



- _____ 1
- _____ 2
- _____ 3
- _____ 4